

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 IO-13 ADP-00 AGR-20 SS-15 NSC-10 L-03

H-02 CIAE-00 INR-10 NSAE-00 PA-03 RSC-01 USIA-12

PRS-01 COME-00 TRSE-00 ARA-11 STR-08 CEA-02 CIEP-02

OMB-01 SIL-01 LAB-06 RSR-01 /159 W

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R 141804 Z JUN 73

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 1011

INFO USMISSION EC BRUSSELS

AMEMBASSY BONN

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STATE PASS AGRICULTURE

E. O. 11652: N/ A

TAGS: EAGR/ FR/ EC/ GATT

SUBJECT: FRENCH VIEWS ON AGRICULTURE IN MULTILATERAL NEGOTIATIONS

REF: PARIS 15423

SUMMARY: FRENCH AGRICULTURAL SPOKESMEN IN THE LAST SEVERAL DAYS IN PUBLIC STATEMENTS AND PRIVATE DISCUSSIONS WITH AGATTACHE HAVE INSISTED THAT PROTEIN MEALS MUST BE INCLUDED IN MULTILATERAL NEGOTIATIONS. IT IS SAID THAT THE U. S., AS A QUASI- MONOPOLY SUPPLIER OF PROTEIN MEAL TO EUROPE, MUST TAKE RESPONSIBILITY FOR ASSURING ADEQUATE SUPPLIES AT REASONABLE PRICES. BUT WE HAVE RECEIVED NO LIMITED OFFICIAL USE

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INDICATION FROM THESE SPOKESMEN OF ANY FLEXIBILITY OF FRENCH POSITION ON THE COMMUNITY MANDATE AS REPORTED IN REFTEL. END SUMMARY.

1. IN ANNUAL MEETING OF FRENCH FEED COMPOUND INDUSTRY ASSOCIATION LAST WEEK, PRESIDENT ABONNENC STATED THAT THE U. S. HAS THE MAJOR RESPONSIBILITY FOR THE PRESENT HIGH PRICE OF PROTEIN MEAL BECUASE OF ITS PREDOMINANT POSITION IN SOYBEAN PRODUCTION. HE PROPOSED AS ONE STEP THAT THE U. S. RAISE ITS PRICE GUARANTEE FOR SOYBEANS IN THE FUTURE FROM \$2.25 A BUSHEL TO \$3.50 A BUSHEL TO ENCOURAGE GREATER FUTURE PRODUCTION. ALSO, THE U. S. AND EUROPE SHOULD WORK TOGETHER TO DEVELOP " SECURITY" STOCKS OF AT LEAST 3 MONTHS. CORSON OF AGMINISTRY INTERPRETED THESE REMARKS AS A DEMAND FOR A U. S. " SOYBEAN POLICY".

2. CORSON ALSO STATED THAT PROTEIN MEALS WHICH HAVE FREE ENTRY TO THE COMMUNITY ARE THE ONLY MAJOR GROUP OF PRODUCTS FOR WHICH NO CAP EXISTS, AND IT IS THESE PRODUCTS WHICH ARE GIVING THE COMMUNITY THE GREATEST PROBLEMS. CORSON ALSO REMINDED HIS AUDIENCE THAT THE FRENCH AGMINISTRY A YEAR AGO HAD ASKED BRUSSELS TO INCLUDE SOYBEANS IN A CAP ON OILSEEDS WITH NO SATISFACTORY RESULT ACHIEVED AS YET.

3. AT MEETING SPEAKERS ALSO STRESSED THE VITAL ROLE OF PROTEIN MEAL, AS WELL AS SUPERIOR QUALITY OF SOYBEAN MEAL, IN EXPANDING ANIMAL PRODUCTION. HOWEVER, ONE MINISTRY NUTRITIONAL SPOKESMAN RECOMMENDED THAT BECAUSE OF HIGH PRICES THE AMOUNT OF SOYBEAN MEAL COULD BE REDUCED IN FEED COMPOUNDS BY ABOUT 5 PERCENT WITH NO EFFECT ON EFFICIENCY OF MEAT PRODUCTION. HE ALSO STATED THAT FRANCE MUST FAVOR THE USE OF GROWTH FACTORS SUCH AS ANTIBIOTICS. A FACTORY TO PRODUCE SYNTHETIC LYSINE IS UNDER CONSTRUCTION IN FRANCE, BUT IN GENERAL THIS IS NOT SEEN AS A SATISFACTORY SOLUTION TO THE PROTEIN PROBLEM.

4. ABONNENC, WHO IS INFLUENTIAL IN FRENCH AGRICULTURAL CIRCLES, AUTHORED AN ARTICLE IN LE MONDE THIS WEEK DEMANDING NEGOTIATIONS ON PROTEINS BETWEEN EUROPE AND THE U. S. HE HAS IN RECENT DISCUSSIONS WITH AGATTACHE ATTACHED GREAT IMPORTANCE TO HIS PROPOSAL AND STATED HIS INTENTION OF GETTING SUPPORT AMONG FRENCH FARM AND GOVERNMENT AGRICULTURAL LEADERS AS WELL AS IN BRUSSELS.

5. ABONNENC ALSO BELIEVES, AS DO AGMINISTRY OFFICIALS, THAT WORLD PROTEIN SHORTAGE IS ONE OF CONTINUING NATURE THAT DEMANDS MORE ATTENTION, ESPECIALLY FROM THE U. S. THEY RECOMMEND AS AN INITIAL LIMITED OFFICIAL USE

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STEP AN EXCHANGE OF VIEWS ON FUTURE DEMAND- SUPPLY SITUATION

AMONG PRINCIPAL WORLD USERS AND SUPPLIERS. TO SIMPLY LET THE FREE MARKET FORCES OPERATE IS NOT TOLERABLE.

6. FRENCH VIEWS ON MULTIALTERAL NEGOTIATIONS WERE DISCUSSED IN ANOTHER FORUMLAST WEEK, A MEETING OF CENAG, AN ORGANIZATION OF LARGE FRENCH FARMERS. TWO FRENCH GOVERNMENT SPOKESMEN, ONE FROM

AGMINISTRY AND OTHER FROM DREE, PRESENTED THE USUAL HARD- LINE FRENCH VIEWS. MALVET FROM ORTOLI' S CABINET IN BRUSSELS, USED HIS PRIOR EXPERIENCE IN WASHINGTON AS MEANS TO TRY TO EXPOSE TO A MAXIMUM DEGREE ALL POSSIBLE SOFT SPOTS IN U. S. POSITION ON AGRICULTURE

IN THE NEGOTIATIONS. HE STRESSED PARTICULARLY THE PROVISION OF THE U. S. SENATE BILL ON AGRICULTURE LIMITING DAIRY IMPORTS TO 2 PERCENT OF TOTAL CONSUMPTION AS AN INDICATION OF LACK OF REAL COMMITMENT ON U. S. SIDE TO TRADE LIBERALIZATION IN AGRICULTURE. AT THIS MEETING AGATTACHE OGREN DISCUSSED TRENDS IN U. S. AGRICULTURAL POLICY AND STRUCTURE AS BASIS FOR EXAMINING U. S. VIEWS ON AGRICULTURE IN MULTI- LATERAL NEGOTIATIONS. IN CONTRAST TO OTHER FRENCH FARM ORGANIZATIONS, CENAG IS MORE INCLINED TO SOME UNDER- STANDING OF U. S. VIEWS.

7. COMMENT: WE HAVE NOT UNCOVERED ANY MOVE TOWARDS MORE FLEXIBILITY

IN FRENCH POSITION IN PUBLIC STATEMENTS AND PRIVATE CONVERSATIONS WITH FRENCH AGRICULTURAL LEADERS. THE U. S. IS DOING WELL WITH THEIR AGRICULTURAL EXPORTS, IT IS SAID, AND QUESTIONS ARE RAISED AS TO WHAT ARE OUR REAL OBJECTIVES FOR AGRICULTURAL TRADE IN THE NEGOTIATIONS. THE WORLD HAS ENTERED A NEW ERA WHERE SCARCITY RATHER THAN

SURPLUSES ARE THE PROBLEM. FURTHER, U. S. SPOKEMEN SEEM TO LACK GENUINE UNDERSTANDING OF THE SERIOUS SOCIAL PROBLEMS OF EUROPEAN AGRICULTURE. AND FINALLY THE INDUSTRIAL COUNTRIES SHOULD PAY MORE ATTENTION TO THE NEEDS OF THE LDC' S IN AGRICULTURAL TRADE.

IRWIN

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